

Investigations under Code of Practice 9



HM Revenue & Customs (HMRC) operate Code of Practice 9 (CoP9) in cases of deliberate tax fraud where criminal prosecution is not contemplated. CoP9 is operated where HMRC investigate under a civil basis of the Contractual Disclosure Facility

HMRC can investigate a taxpayer's past tax compliance for many different reasons and in different ways, including CoP9.

HMRC will investigate on a civil basis for up to 20 years, plus the current tax year.

However, if false statements and/or false documents are provided during the course of the civil investigation, HMRC may seek to pursue a criminal investigation.

What happens next?

HMRC will seek an initial meeting to make an Outline Disclosure. Following which, a Disclosure Report will be commissioned and the amount of tax computed.

What is a Disclosure Report?

A Disclosure Report is not prescriptive but it is likely to include:

- A brief history of the taxpayer(s)
- How the irregularities happened
- How the irregularities were identified
- The quantum of all the irregularities
- A statement of the taxpayer's assets and liabilities

Will I be prosecuted?

No.

Providing a full and complete disclosure is made, the taxpayer will not be prosecuted for any past tax offence(s).

How much will I owe HMRC?

The Disclosure Report will quantify the amounts that are taxable each year. In addition to all the taxes that are due, interest and a penalty will apply.

How Haines Watts can help

We will advise you:

- throughout the whole process;
- on what strategy you may wish to follow;
- on the cost of making the disclosure;
- negotiate with HMRC on your behalf.

Haines Watts can advise you on how to organise your UK tax affairs in order to suit your current or future needs whilst being fully tax compliant.

To find out how Haines Watts can help, call Paul Malin on + 44 (0)7919 375 650 or email pmalin@hwca.com anytime